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August 19, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's response to the following Record Request:

From the Department:

RR-DTE-160

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)  
A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)  
Andreas Thanos, Assistant Director, Gas Division (1 copy)  
Alexander Cochis, Assistant Attorney General (4 copies)  
Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
RECORD REQUESTS FROM THE D.T.E.  
D.T.E. 05-27

Date: August 19, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)  
Danny G. Cote, General Manager

RR-DTE-160: Provide any information on the progress of the steel main replacement program from January 1, 2005 through close of record.

Response: See Attachment RR-DTE-160 (A) for a summary of the 2005 MA Steel Infrastructure Replacement ("SIR") program costs for all of the Company's Lawrence, Springfield, and Brockton divisions combined. Attachments RR-DTE-160 (B) through (D) include more detailed cost information, by project, for the Lawrence, Springfield and Brockton divisions, respectively.

The costs reflected on the Attachments RR-DTE-160 (A) through (D) are associated with all facilities determined to be recoverable as part of the Company's proposed SIR program (i.e., "Eligible Facilities"), including Mains, Services, Meter Installations and Other Eligible Facilities as originally shown on Schedule JES-17 of Exh. BSG/JES-1.

Regarding Column [1] (i.e., Eligible Additions – Direct) of Attachment RR-DTE-160 (A), the Company has included all eligible direct costs incurred for each project. However, the information is not currently available to show the costs broken down by Mains, Services and Meter Installations.

Regarding Column [2] (i.e., Overheads) on Attachment RR-DTE-160 (A), the Company estimates at this time that, consistent with Mr. Skirtich's method set forth on Page 4 of Schedule JES-17 of Exh. BSG/JES-1, the Company has used an overhead rate of 34% to be applied to all direct SIR program expenditures. This figure is derived based on the percentage of overheads currently assigned to all projects that have been closed to plant during 2005.

Regarding Attachments RR-DTE-160 (A) through (D), the Company has organized the costs into four distinct categories: (1) projects that have been completed and closed to plant ("Closed To Plant"), (2) projects that have incurred costs, are still open or are recently completed, but no costs have yet been closed to plant ("Open or Recently Completed"), (3) projects that have been authorized and planned for construction in 2005, but that have not yet received a work order or incurred any costs to date ("Authorized and Planned"), and (4) total costs ("Total").

As noted in the Company's response to RR-DTE-161, all projects listed in Attachments RR-DTE-160 (B) through (D) and summarized in Attachment RR-DTE-160 (A) are

approved and scheduled. However, given the nature of the construction season, where much of the program expenditures are incurred during the second half of the year, the majority of costs fall into category (3) (i.e., the projects have not had work orders issued yet, so no invoices have been generated). This limits the Company's ability at this time to display detailed Authorized and Planned dollars in Attachments RR-DTE-160 (B) through (D). However, project-specific authorization levels have been filed as part of the Company's response to RR-DTE-161 (see Section 1 of each respective Attachment in RR-DTE-161 for the best available detail related to authorized dollars by project).

Each Project ID # shown on Attachments (B) through (D) is associated with a Main replacement project unless otherwise noted. All other Project ID #s (i.e., Project ID #s ending in "9999") are associated blanket authorizations that cover Service installation associated with previously authorized Main projects in the applicable division.

The total number of Main Project IDs to be booked to plant during 2005 for the Lawrence Division is 25, for the Springfield Division is 10, and for the Brockton Division is 121.

**Bay State Gas Company**  
**Steel Infrastructure Replacement Expenditures**  
**To Be Closed To Plant in 2005**  
**SUMMARY**  
**(As of July 2005)**

		[1]	+	[2]	=	[3]
Line No.	Description	Eligible Additions Direct		Overheads @ 34% 1/		Current Year Additions
1	(1) Closed To Plant	\$ 1,344,745		\$ 453,930	1/	\$ 1,798,675
2						
3	(2) Open or Recently Completed	\$ 4,770,601		\$ 1,622,004		\$ 6,392,605
4						
5	(3) Authorized and Planned	\$ 10,841,290		\$ 3,689,322		\$ 14,530,612
6						
7	(4) Total	\$ 16,956,636		\$ 5,765,256		\$ 22,721,892

NOTES: 1/ Based on % Year To Date (YTD) overheads for eligible facilities (1) Closed To Plant. This % may change once all projects are closed to plant.

**Bay State Gas Company  
LAWRENCE DIVISION  
2005 Steel Infrastructure Replacement Expenditures**

**(1) Closed to Plant YTD 7/05**

<u># of Main</u>		<u>Total</u>	<u>Total</u>	
<u>Projects</u>	<u>Project ID#</u>	<u>Direct</u>	<u>Overheads</u>	<u>Total</u>
1	L05B6001	\$ 22,549	\$ 3,253	\$ 25,802
2	L05B6013	60,981	17,749	78,730
	L05B9999 1/	32,056	17,691	49,747
	<b>Sub Total</b>	<b>\$ 115,586</b>	<b>\$ 38,693</b>	<b>\$ 154,279</b>

**(2) Open or Recently Completed YTD 7/05**

	<u>Project ID#</u>	<u>Total</u>	<u>Total</u>	<u>Actual</u>
		<u>Direct</u>	<u>Overheads 2/</u>	<u>Total</u>
3	L05B6014	\$ 27,861		
4	L05B6028	36,320		
5	L05B6002	101,421		
6	L05B6003	-		
7	L05B6005	-		
8	L05B6006	-		
9	L05B6007	50		
10	L05B6008	-		
11	L05B6009	2,185		
12	L05B6010	-		
13	L05B6011	5,630		
14	L05B6012	74,962		
15	L05B6015	422		
16	L05B6016	45		
17	L05B6017	-		
18	L05B6018	-		
19	L05B6019	-		
20	L05B6020	-		
21	L05B6021	207		
22	L05B6022	552		
23	L05B6023	48		
24	L05B6024	7,562		
25	L05B6025	-		
	<b>Sub Total</b>	<b>\$ 257,265</b>	<b>\$ 87,470</b>	<b>\$ 344,735</b>

**(3) Authorized and Planned**

<u>Projects</u>	<u>Total</u>	<u>Total</u>	
<u>Sub Total</u>	<u>Direct</u>	<u>Overheads 2/</u>	<u>Total</u>
	\$ 2,127,867	\$ 724,081	\$ 2,851,948

**(4) TOTAL 3/ \$ 2,500,718 \$ 850,244 \$ 3,350,962**

NOTES: 1/ Reflects all Services closed to plant to date that are covered by a Blanket Authorization that covers all Services installed for the Lawrence Division.  
2/ Overheads amounts for (2) Open or Recently Completed and (3) Authorized and Planned projects estimated at the (1) Closed To Plant 7/05 Year to Date actual rate of 34%.  
3/ Reflects the sum of all projects Closed To Plant, Open or Recently Completed, and Authorized and Planned.

**Bay State Gas Company  
SPRINGFIELD DIVISION  
2005 Steel Infrastructure Replacement Expenditures**

**(1) Closed to Plant YTD 7/05**

<u># of Main Projects</u>	<u>Project ID#</u>	<u>Total Direct</u>	<u>Total Overheads 2/</u>	<u>Total</u>
	S05B9999 1/	\$ 55,968	\$ 90,936	\$ 146,904
	<b>Sub Total</b>	<b>\$ 55,968</b>	<b>\$ 90,936</b>	<b>\$ 146,904</b>

**(2) Open or Recently Completed YTD 7/05**

	<u>Project ID#</u>	<u>Total Direct</u>	<u>Total Overheads 2/</u>	<u>Total</u>
1	S05B6001	\$ 21,386		
2	S05B6002	73,422		
3	S05B6003	2,350		
4	S05B6004	277,837		
5	S05B6006	338,716		
6	S05B6008	44,677		
7	S05B6009	36,815		
8	S05B6010	80,772		
9	S05B6011	26,037		
10	S05B6012	25,044		
	<b>Sub Total</b>	<b>\$ 927,056</b>	<b>\$ 315,199</b>	<b>\$ 1,242,255</b>

**(3) Authorized and Planned**

<u>Projects</u>	<u>Total Direct</u>	<u>Total Overheads 2/</u>	<u>Total</u>
<b>Sub Total</b>	<b>\$ 1,016,852</b>	<b>\$ 273,822</b>	<b>\$ 1,290,674</b>

**(4) TOTAL 3/ \$ 1,999,876 \$ 679,958 \$ 2,679,834**

NOTES: 1/ Reflects all Services closed to plant to date that are covered by a Blanket Authorization that covers all Services installed for the Lawrence Division.  
2/ Overheads amounts for (2) Open or Recently Completed and (3) Authorized and Planned projects estimated at the (1) Closed To Plant 7/05 Year to Date actual rate of 34%.  
3/ Reflects the sum of all projects Closed To Plant, Open or Recently Completed, and Authorized and Planned.

**Bay State Gas Company  
BROCKTON DIVISION  
2005 Steel Infrastructure Replacement Expenditures 4/**

**(1) Closed to Plant YTD 7/05**

<u># of Main Projects</u>	<u>Project ID#</u>	<u>Total Direct</u>	<u>Total Overheads 2/</u>	<u>Total</u>
1	B03D5079	1,708	3,876	5,584
2	B04D5059	20,523	7,705	28,229
3	B04D6018	43,105	-	43,105
4	B04D6019	12,936	6,959	19,895
5	B04D6020	4,796	6,687	11,483
6	B04D6023	120,280	16,854	137,135
7	B04D6024	166,024	23,097	189,121
8	B04D6034	21,610	5,239	26,848
9	B05B6009	19,245	9,520	28,765
10	B05B6014	122,823	54,915	177,738
11	B05B6023	111,365	27,697	139,062
12	B05B6027	69,760	22,020	91,780
13	B05B6046	203,744	37,779	241,523
14	B05B6060	12,187	11,658	23,845
15	B05B6063	13,682	2,031	15,713
16	B05B6079	7,513	2,376	9,889
17	B05B6082	129,191	35,585	164,776
18	B05B6091	10,611	3,065	13,676
19	B05B6097	15,272	6,383	21,655
20	B05B6106	4,191	782	4,974
21	B05B6112	1,603	400	2,003
	B05B9999 1/	61,021	39,671	100,692
	<b>Sub Total</b>	<b>\$ 1,173,191</b>	<b>\$ 324,301</b>	<b>\$ 1,497,492</b>

**(2) Open or Recently Completed YTD 7/05**

	<u>Project ID#</u>	<u>Total Direct</u>	<u>Total Overheads 2/</u>	<u>Total</u>
22	B04D5016	\$ 29,873		
23	B04D6011	38,102		
24	B04D6028	42,948		
25	B04D6029	95,084		
26	B04D5039	14,095		
27	B04D5040	1,968		
28	B04D5044	1,866		
29	B04D6002	66,970		
30	B04D6003	17,184		
31	B04D6005	1,278		
32	B04D6007	50		
33	B04D6021	120,926		
34	B04D6022	84,600		
35	B05B6016	62,175		
36	B05B6029	8,300		
37	B05B6099	59,842		
38	B05B6114	5,283		
39	B05B6115	7,054		
40	B05B6001	-		
41	B05B6002	34,470		
42	B05B6003	-		
43	B05B6004	394		
44	B05B6006	100		
45	B05B6008	5,131		
46	B05B6010	9,617		
47	B05B6011	16,446		
48	B05B6012	50		

**Bay State Gas Company  
BROCKTON DIVISION  
2005 Steel Infrastructure Replacement Expenditures 4/**

49	B05B6013	8,485
50	B05B6015	10,284
51	B05B6017	173
52	B05B6018	120
53	B05B6019	39,189
54	B05B6020	-
55	B05B6021	129,773
56	B05B6022	36,724
57	B05B6024	-
58	B05B6025	500
59	B05B6026	36,887
60	B05B6030	50
61	B05B6031	50
62	B05B6032	50
63	B05B6033	100
64	B05B6034	50
65	B05B6036	-
66	B05B6038	936
67	B05B6039	54,291
68	B05B6042	-
69	B05B6044	650
70	B05B6045	37,705
71	B05B6047	51,259
72	B05B6049	101,714
73	B05B6050	50
74	B05B6052	-
75	B05B6054	16,883
76	B05B6055	407
77	B05B6056	50,457
78	B05B6057	13,479
79	B05B6058	10,683
80	B05B6059	-
81	B05B6064	296
82	B05B6065	300
83	B05B6066	390
84	B05B6067	4,068
85	B05B6068	532
86	B05B6069	21,336
87	B05B6070	47,454
88	B05B6071	-
89	B05B6072	162,748
90	B05B6073	272,855
91	B05B6075	262
92	B05B6076	-
93	B05B6077	149,459
94	B05B6081	8,550
95	B05B6083	337,787
96	B05B6084	358,881
97	B05B6085	144,584
98	B05B6086	58,031
99	B05B6087	9,098
100	B05B6088	202,477
101	B05B6089	41,430
102	B05B6090	-
103	B05B6092	12,798
104	B05B6093	-
105	B05B6094	119,314
106	B05B6095	24,540
107	B05B6096	16,697

**Bay State Gas Company  
BROCKTON DIVISION  
2005 Steel Infrastructure Replacement Expenditures 4/**

108	B05B6101	-			
109	B05B6102	12,120			
110	B05B6103	92,726			
111	B05B6107	18,938			
112	B05B6108	-			
113	B05B6109	73,217			
114	B05B6110	41,300			
115	B05B6113	50			
116	B05B6116	22,011			
117	B05B6117	-			
118	B05B6118	6,645			
119	B05B6119	550			
120	B05B6122	-			
121	B05B6124	79			
<b>Sub Total</b>		<b>\$ 3,586,280</b>	<b>\$ 1,219,335</b>	<b>\$ 4,805,615</b>	

**(3) Authorized and Planned**

<u>Projects</u>	<u>Total Direct</u>	<u>Total Overheads 2/</u>	<u>Total</u>
<b>Sub Total</b>	<b>\$ 7,696,572</b>	<b>\$ 2,691,418</b>	<b>\$ 10,387,989</b>

**(4) TOTAL 3/ \$ 12,456,042 \$ 4,235,054 \$ 16,691,096**

NOTES: 1/ Reflects all Services closed to plant to date that are covered by a Blanket Authorization that covers all Services installed for the Lawrence Division.  
2/ Overheads amounts for (2) Open or Recently Completed and (3) Authorized and Planned projects estimated at the (1) Closed To Plant 7/05 Year to Date actual rate of 34%.  
3/ Reflects the sum of all projects Closed To Plant, Open or Recently Completed, and Authorized and Planned.